



SFA ANALYST: Jessica Runnels
DATE: January 2007

APPROPRIATION LINE ITEM AND BOILERPLATE HISTORY

DEPARTMENT OF NATURAL RESOURCES PART 1: LINE ITEM DETAIL

2006 PA 344
FY 2006-07
Year-to-Date

Sec. 101. APPROPRIATION SUMMARY

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| 1. <u>Unclassified full-time equated (FTE) positions</u> - Positions that are exempted from the classified State civil service pursuant to Article XI, Section 5 of the Michigan Constitution. These positions include elected officials, heads of principal departments, a limited number of policy-making positions in departments, members of boards and commissions, employees of State institutions of higher education, employees of the Judiciary, and employees of the Legislature. | 6.0 |
| 2. <u>Classified FTE positions</u> - All positions in State service unless exempted by Article XI, Section 5 of the Michigan Constitution. One FTE position equals 2,088 hours. | 2,086.4 |
| 3. <u>GROSS APPROPRIATION</u> - Total appropriations | 288,313,200 |
| 4. <u>Interdepartmental grants (IDG)</u> - Funds that are also appropriated in other budgets. These funds are categorized as IDGs in the department that spends the funds and are therefore subtracted from the Gross Appropriation to avoid double counting total statewide appropriations. | 3,765,900 |
| 5. <u>ADJUSTED GROSS APPROPRIATION</u> - Gross appropriations less IDGs. | 284,547,300 |
| 6. <u>Federal revenue</u> - Funding allocated to the State by the Federal government. | 42,964,300 |
| 7. <u>Local revenue</u> - Funds paid by local units of government that support State services and programs. | 0 |
| 8. <u>Private revenue</u> - Available appropriated funds from private sources, including funding from non-governmental agencies. | 3,125,100 |
| 9. <u>State restricted revenue</u> - Revenue earmarked for a specific purpose by the State Constitution, statute, or appropriation bill. Restricted revenue also includes general fund/special purpose funds, such as fee revenue used to support licensing programs. | 213,188,300 |
| 10. <u>State general fund/general purpose</u> - Revenue that has no constitutional or statutory restrictions on how it is used. Approximately 90% of the general fund/general purpose (GF/GP) revenue is derived from the income, single business, insurance, sales, and use taxes. | 25,269,600 |
| 11. <u>Payments to locals</u> - State appropriations from GF/GP or State restricted revenues that will be allocated to local units of government. | 29,182,500 |

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FUND SOURCE SUMMARY

The discreet sources of revenue and the amounts appropriated from them are itemized in this section of the bill.

12.	<u>GROSS APPROPRIATION</u> - Total appropriation from all sources of financing.	288,313,200
13.	<u>IDG, engineering services to work orders</u> - Language in the appropriation bill allows certain administrative units of the Department to charge capital outlay projects a uniform fee for the cost of engineering and other technical services provided in support of capital or other projects requiring such services.	1,904,700
14.	<u>IDG, land acquisition services to work orders</u> - Language in the appropriation bill allows the Department to charge land acquisition project appropriations a standard percentage for the transaction costs associated with the acquisition. The revenue derived from these charges is used to offset the acquisition-related costs.	414,800
15.	<u>IDG, MacMullen conference center revenue</u> - The MacMullen Conference Center in Roscommon is the main training facility for Department staff, and is used extensively by other State agencies and educational institutions. Revenue derived from fees for use of the facility covers the operational costs of the facility. This revenue source is authorized by Part 5 of 1994 PA 451, the Natural Resources and Environmental Protection Act (NREPA).	1,446,400
16.	<u>Total interdepartmental grants</u> - The total of items 13 through 15 above.	3,765,900
17.	<u>ADJUSTED GROSS APPROPRIATION</u> - The Gross appropriation less total IDGs.	284,547,300
18.	<u>DAG, federal</u> - Revenue from the United States Department of Agriculture, primarily the U.S. Forest Service, is reflected in this line. This funding source supports forest management and forest fire protection activities.	7,237,800
19.	<u>DAG, timber revenue</u> - United States Department of Agriculture, Mineral Management Service pass-through monies, derived from the proceeds from timber harvests on Federal lands in the State, are reflected in this line. The Federal funds are passed through the State to counties with Federal lands from which timber is harvested.	3,300,000
20.	<u>DHS-USCG, Federal</u> - Revenue from the United States Coast Guard is used for law enforcement activities on Michigan's waterways.	5,743,300
21.	<u>DOC, federal</u> - Revenue from the United States Department of Commerce, National Oceanic and Atmospheric Administration is reflected in this line. These Federal funds are provided for fisheries management.	69,200
22.	<u>DOE, federal</u> - Revenue from the United States Department of Energy would be reflected in this line, if such revenue was made available to the State. Beginning in FY 1997-98, this "placeholder" was put into the budget bill in anticipation of the receipt of Federal energy funds for stream habitat projects. The Federal funds for this purpose have not materialized.	1,000

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23. <u>DOI, federal</u> - Revenue from the United States Department of Interior is reflected in this line. The Federal funds are largely from the U.S. Fish and Wildlife Service, supporting wildlife management and fisheries programs. Other DOI funds are from the U.S. Geological Survey and are used for resource mapping activities.	24,584,400
24. <u>DOI, oil and gas royalty revenue</u> - United States Department of Interior, Mineral Management Service pass-through monies are reflected in this line. Revenue from royalties from the development of oil and gas resources on Federal lands in the State is passed through the State to counties with Federal lands from which the royalties were derived.	150,000
25. <u>DOT, federal</u> - Revenue from the United States Department of Transportation Federal Highway Administration is appropriated for recreational trails development.	2,100,000
26. <u>EPA, federal</u> - United States Environmental Protection Agency funds are reflected in this line. Various small grants for research and water protection activities are available each year to the Department, with the projects carried out in the Fisheries and Parks divisions.	278,600
27. <u>Total federal revenues</u> - The total of items 18 through 26 above.	42,964,300
28. <u>Private funds</u> - Grants and reimbursements from a variety of private sources are reflected in this line item. Private sources include Detroit Edison, the Upper Peninsula Power Company, the Kellogg Foundation, and occasionally Ducks Unlimited and other wildlife protection, hunting, or resource advocacy groups.	2,625,100
29. <u>Private - gift revenues</u> - Gift revenue, donated to specific programs or divisions by industry or individuals, is reflected in this line item.	500,000
30. <u>Total private revenues</u> - The total of items 28 through 29 above.	3,125,100
31. <u>Aircraft fees</u> - Fees charged for the use of Department aircraft and pilots are reflected in this line item. These funds are used to pay all operating and maintenance costs of department aircraft.	252,700
32. <u>Air photo - geographic information system</u> - Revenue generated by the sale of statewide aerial photos, and products and services of the State's geographic information system (GIS) is reflected in this line item. The revenue is used to cover costs for aerial photography activities, and the cost of generating the products or services of the GIS.	34,300
33. <u>Cervidae licensing and inspection fund</u> - Registration fees collected from privately owned cervidae producers are used for administration of the program, including the processing of new and renewal registration applications and inspections of the registered facilities. The captive cervidae program and this fund were transferred to the DNR from the Department of Agriculture in FY 2003-04 by Executive Order 2004-3.	95,700

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| <p>34. <u>Clean Michigan initiative fund</u> - Funds from general obligation bonds authorized by the voters in 1998 to finance environmental and natural resources protection programs are reflected in this line item. Implementing legislation allows spending of up to 3% of amounts from the bond allocated for State park infrastructure improvements and local recreation projects for Department expenses associated with completing CMI parks and recreation projects.</p> | 56,000 |
| <p>35. <u>Commercial forest fund</u> – Revenue collected from commercial forest application, management plan, and withdrawal fees is used for enforcement, administration, and monitoring of compliance with commercial forest statutes.</p> | 49,600 |
| <p>36. <u>Forest development fund</u> – This fund collects revenue primarily from contracts for the cutting and sale of timber on tax reverted or other State forest lands. Also deposited into the fund are various fees and assessments on tax delinquent properties that are used for covering the cost of publishing the lists of property and other expenses related to maintaining and disposing of tax delinquent and tax reverted properties. Revenue authorized by several provisions of the Natural Resources and Environmental Protection Act, and primarily used to manage State forest resources, is reflected in this line item, as well as proceeds of bonds issued by the Michigan Forest Finance Authority (although no bonds have been issued).</p> | 34,277,900 |
| <p>37. <u>Forestland user charges</u> - The Department collects fees for permits to cover the costs to the department for the processing of applications and for monitoring of permits for the use of state forests that require extensive review. Money in the fund covers the costs of reviewing applications and monitoring permits for the use of state forests.</p> | 326,500 |
| <p>38. <u>Forest recreation fund</u> - Revenue from State forest camping permit fees, and other fees from the reservation of forest lands for recreational purposes is reflected in this line item. This revenue is used to develop, maintain, operate, and promote forest recreation activities. This fund was established in the MI Constitution as an account within the Conservation and Recreation Legacy Fund by Proposal 06-1.</p> | 1,439,500 |
| <p>39. <u>Game and fish protection fund</u> - Revenue primarily from the sale of hunting and fishing licenses is reflected in this line item. Appropriations supported with this source of funding are for enforcement of game, fish, and fur laws of the State, propagation of fish and animals, purchases of land, investigations, educational programs, and research. This appropriation is from the general purpose account of the Game and Fish Protection Fund. This fund was established in the MI Constitution as an account within the Conservation and Recreation Legacy Fund by Proposal 06-1.</p> | 64,665,900 |
| <p>40. <u>Game and fish protection fund - deer habitat reserve</u> - \$1.50 is set aside from the sale of each deer hunting license for the creation and management of deer habitat. While the subfunds of the Game and Fish Protection Fund were not named specifically, since the umbrella fund was established in the MI Constitution as an account within the Conservation and Recreation Legacy Fund by Proposal 06-1, the subfunds may be subject to the same constitutional restrictions.</p> | 2,565,400 |

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| <p>41. <u>Game and fish protection fund – fisheries settlement</u> - A settlement between Consumers Energy, the State, and the Federal government resulted in ongoing payments to the State that are deposited into this fund. The payments are the settlement of a court case that resulted from hydropower dams killing fish and causing other environmental damage. The funds are used to minimize the negative environmental impacts of hydropower projects and to enhance recreational opportunities in the vicinities of these projects. While the subfunds of the Game and Fish Protection Fund were not named specifically, since the umbrella fund was established in the MI Constitution as an account within the Conservation and Recreation Legacy Fund by Proposal 06-1, the subfunds may be subject to the same constitutional restrictions.</p> | 964,700 |
| <p>42. <u>Game and fish protection fund - turkey permit fees</u> - A portion of wild turkey hunting fees is set aside for research, biological survey work on wild turkeys, and wild turkey management. The amounts appropriated from this set aside are reflected in this line item. While the subfunds of the Game and Fish Protection Fund were not named specifically, since the umbrella fund was established in the MI Constitution as an account within the Conservation and Recreation Legacy Fund by Proposal 06-1, the subfunds may be subject to the same constitutional restrictions.</p> | 1,751,600 |
| <p>43. <u>Game and fish protection fund - waterfowl fees</u> - The portion of waterfowl hunting fees dedicated to the acquisition of wetlands and other lands to be managed for the benefit of waterfowl, and to the operation, maintenance, and development of managed waterfowl areas is reflected in this line item. While the subfunds of the Game and Fish Protection Fund were not named specifically, since the umbrella fund was established in the MI Constitution as an account within the Conservation and Recreation Legacy Fund by Proposal 06-1, the subfunds may be subject to the same constitutional restrictions.</p> | 106,100 |
| <p>44. <u>Game and fish protection fund - wildlife resource protection fund</u> - A portion of hunting and fishing fees is set aside for enforcement of wildlife conservation laws and anti-poaching programs (RAP – Report All Poaching) undertaken by the Department. While the subfunds of the Game and Fish Protection Fund were not named specifically, since the umbrella fund was established in the MI Constitution as an account within the Conservation and Recreation Legacy Fund by Proposal 06-1, the subfunds may be subject to the same constitutional restrictions.</p> | 1,643,200 |
| <p>45. <u>Game and fish protection fund – youth hunting and fishing education and outreach fund</u> - Revenue from the sale of small game licenses and all-species fishing license sold to persons between ages 10 and 16 is credited to this fund. Money in the fund may be used for hunting and fishing education and outreach programs for youth up to 16 years of age. While the subfunds of the Game and Fish Protection Fund were not named specifically, since the umbrella fund was established in the MI Constitution as an account within the Conservation and Recreation Legacy Fund by Proposal 06-1, the subfunds may be subject to the same constitutional restrictions.</p> | 27,700 |

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| <p>46. <u>Harbor development fund</u> - Revenue from marina leases and 33.5% of watercraft registration fees are credited to this fund, and are reflected in this line item. Funding from this source is appropriated to assist in construction, operation, and maintenance of recreational boat slips, including the purchase of property. For the past few years, the Capital Outlay budget has included a language section moving the remaining balance of this Fund to the MI State Waterways Fund since the Harbors-of-Refuge program, which was the primary purpose of this Fund, is complete. This fund was established in the MI Constitution as an account within the Conservation and Recreation Legacy Fund by Proposal 06-1.</p> | 290,100 |
| <p>47. <u>Land exchange facilitation fund</u> – Except for land purchases using the MI Natural Resources Trust Fund, revenue from the sale of land is deposited into this Fund. The Fund is used to purchase other lands, and to cover real estate transaction costs. There is a cap of \$2.5 million on the LEFF.</p> | 6,086,700 |
| <p>48. <u>Marine safety fund</u> - Revenue from 49% of watercraft registration fees is credited to this fund. Money from the Fund is used for water safety education programs, administration, and enforcement of the Marine Safety Act, including State aid to counties. This fund was established in the MI Constitution as an account within the Conservation and Recreation Legacy Fund by Proposal 06-1.</p> | 4,716,000 |
| <p>49. <u>Michigan civilian conservation corps endowment fund</u> - Initially capitalized with \$20,000,000 from the sale of the Accident Fund, the interest and earnings of the MCCC Endowment Fund are used for the operation of the Corps.</p> | 1,137,300 |
| <p>50. <u>Michigan natural resources trust fund</u> - Revenue from the sale of oil, gas and mineral leases and royalties from oil, gas, and mineral extractions on State lands is credited to the MNRTF pursuant to the MI Constitution. Interest and earnings of the MNRTF are used for acquisition of land and rights in land, for development of recreation facilities, and for administration of fund, including payments of taxes on lands purchased with the MNRTF dollars. Amounts used for tax payments and administrative costs are reflected in this operations budget. Land purchases and the development of recreational facilities are appropriated in the capital outlay budget.</p> | 3,095,000 |
| <p>51. <u>Michigan state parks endowment fund</u> – Created in the MI Constitution, revenue from the sale of oil, gas and mineral leases and royalties from oil, gas, and mineral extractions on State lands (up to \$10 million annually until the MNRTF reaches \$500,000,000 and all such revenue thereafter, until the Endowment Fund reaches \$800,000,000) support the Fund. The Fund is used for operations, maintenance, and capital improvements at State parks. The amount available for expenditure each year is limited to one half of the money deposited to the Fund each year from the leases for the extraction of nonrenewable resources, as well as the earnings and any private donations to the Fund.</p> | 12,974,000 |

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| <p>52. <u>Michigan state waterways fund</u> - Revenue from 17.5% of watercraft registration fees and 80% of the Recreation Improvement Fund (supported with 2% of gas taxes after subtraction of expenses) is credited to this Fund. Money from the Fund is used for the construction, operation, and maintenance of recreational boating facilities, the acquisition of property for recreational boating facilities, for grants to local units of government to acquire and develop harbors of refuge and public boating access sites, and to pay taxes on property purchased with the Fund. This fund was established in the MI Constitution as an account within the Conservation and Recreation Legacy Fund by Proposal 06-1.</p> | 16,289,600 |
| <p>53. <u>Nongame wildlife fund</u> - The interest and earnings of the Nongame and Wildlife Trust Fund (originally funded by an income tax check off, currently supported with fund raising license plate donations) are available for spending for research and management of nongame fish and wildlife, and designated endangered animal and plant species. The Nongame and Wildlife Trust Fund was established in the MI Constitution by as an account within the Conservation and Recreation Legacy Fund by Proposal 06-1.</p> | 696,100 |
| <p>54. <u>Off-road vehicle trail improvement fund</u> - All but \$1 of each \$16.25 ORV license fee is credited to this Fund (the remaining \$1 is credited to the Safety Education Fund). Appropriations from the Fund are used for signing, improvement, maintenance, and construction of ORV trails; for administration and enforcement; for leasing of land; for acquisition of easements; and for restoration of land damaged by ORV use. This fund was established in the MI Constitution as an account within the Conservation and Recreation Legacy Fund by Proposal 06-1.</p> | 4,297,400 |
| <p>55. <u>Park improvement fund</u> - Money from State park motor vehicle permits, overnight camping fees, concessions, leases, donations, and revenues not otherwise needed to cover bond payments and interest are deposited into the Fund. Amounts appropriated from the Fund are used for improvement, operation, and maintenance of State parks and recreation areas. This fund was established in the MI Constitution as an account within the Conservation and Recreation Legacy Fund by Proposal 06-1.</p> | 41,173,600 |
| <p>56. <u>Publications revenue</u> - Revenue from the sale and distribution of photographic and publication products and services is used to cover the cost of producing photographic and publication products or services.</p> | 900 |
| <p>57. <u>Recreation improvement fund</u> - Funded with 2% of the State taxes on the sale of gasoline, not less than 80% of the money in the Fund is distributed to the State Waterways Fund, not less than 14% to Snowmobile Trail Improvement Fund, with the remaining balance dedicated to recreational projects. This leaves 6% of the portion received from gas tax collections in the Recreation Improvement Fund. The amount reflected in this line is the total appropriated from the recreational project set-aside, of which not less than 25% must be allocated to the repair of damages due to off-road vehicles. This fund was established in the MI Constitution as an account within the Conservation and Recreation Legacy Fund by Proposal 06-1.</p> | 1,463,200 |

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58.	<u>Safety education fund</u> - One dollar from each off-road vehicle license is deposited in this fund and distributed as grants to agencies and schools to conduct ORV safety courses. This fund and the ORV safety training grant program were transferred from the Department of Education in FY 2003-04. This fund was established in the MI Constitution as an account within the Conservation and Recreation Legacy Fund by Proposal 06-1. Its purpose was combined with the ORV Trail Improvement Fund and these two funds may be combined	211,000
59.	<u>Shop fees</u> - Interdivisional charges for the production of signs are reflected in this line item.	66,300
60.	<u>Snowmobile registration fee revenue</u> - \$17.00 of the snowmobile registration fee is deposited into the Snowmobile Registration Fee Fund. Revenue from the Fund is distributed such that \$3 from each registration fee is appropriated in the Department of State for administration of the registration program; and \$14 is for education, enforcement, administration of the snowmobile laws, financial assistance program to counties (for local snowmobile education and training programs), and for local law enforcement grants. According to statute, the Snowmobile Registration Fee Fund has a maximum balance of \$1,600,000 and the excess is transferred to the Snowmobile Trail Improvement Fund at the end of each fiscal year. The amount appropriated from the Registration Fee Fund is reflected in this line item. This fund was established in the MI Constitution as a subaccount with the Snowmobile account within the Conservation and Recreation Legacy Fund by Proposal 06-1.	2,258,200
61.	<u>Snowmobile trail improvement fund</u> - The Fund is supported with \$5 from the snowmobile registration fee, trail sticker fees, 80% of replacement, dealer, manufacturer, transferred, etc. registration fees, and not less than 14% of 2% of the State taxes on the sale of gasoline (which is transferred in from the Recreation Improvement Fund). The Fund also receives unspent snowmobile registration fee revenue from the Department of State and any excess balance from the Snowmobile Registration Fee Fund. Money in the Fund is used for planning, construction, maintenance, and acquisition of trails and areas for the use of snowmobiles, or access to those trails and areas, signage, and basic snowmobile facilities, primarily through financial assistance for local units of government and nonprofit incorporated snowmobile clubs. The Fund may also be used to provide recreational opportunities for bicyclists, hikers, equestrians, and other non-conflicting recreational trail users as ancillary benefits of the program. This fund was established in the MI Constitution as a subaccount with the Snowmobile account within the Conservation and Recreation Legacy Fund by Proposal 06-1.	9,926,100
62.	<u>Sportsmen against hunger fund</u> - This Fund was established in PA 117 or 2005 to provide wild game to people in need. Individuals purchasing hunting or fishing licenses may donate \$1.00 to the Fund, which is used to administer the program, including the collection and processing of donated game, the distribution of the game, and promotional materials.	250,000
63.	<u>Total other state restricted revenues</u> - The total of items 31 through 62 above.	213,188,300

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| 64. <u>State general fund/general purpose</u> - Revenue that has no constitutional or statutory restrictions on how it is used. Approximately 90% of the general fund/general purpose (GF/GP) revenue is derived from the income, single business, insurance, sales, and use taxes. | 25,269,600 |
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Sec. 102. EXECUTIVE

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| 1. <u>Commission (including travel expense - per diem)</u> | 91,300 |
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The Michigan Natural Resources Commission is a 7-member public body, appointed by the Governor with the advice and consent of the Senate. The Commission is established by Part 5 of the Natural Resources and Environmental Protection Act as the head of the Department of Natural Resources. Among other duties, the Commission appoints the director of the Department, sets overnight park camping fees, and has the exclusive authority to regulate the taking of game. This appropriation funds the Commission members' per diem (\$75), travel, and other Commission expenses.

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| 2. <u>Unclassified salaries</u> | 416,500 |
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Unclassified FTE positions

6.0

Article XI, Section 5 of the State Constitution allows the Civil Service Commission to exempt up to five positions, in addition to the Department director, from the classified State Civil Service. Four of the exempted positions are to be of a policy-making nature. This appropriation covers only the salaries of the Director and the five unclassified positions allowed by the Constitution. At the beginning of FY 2006-07 the positions supported by this line item were the: Director, Chief Deputy Director, Legislative Liaison, and the Chief of Staff. Two positions were vacant.

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| 3. <u>Communications</u> | 3,615,700 |
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Classified FTE positions

33.6

This Office is responsible for the development and production of Department guides, brochures, and other printed products, as well as audio/visual formats and products used at parks, visitors' centers, and hatcheries; State Park and fish hatchery interpretation programs; natural resources educational curricula development, evaluation, and dissemination, including the Department's L.A.P.'s project ("Learn from the past, Appreciate the present, and Preserve our outdoor heritage", commonly known as the Buck Wilder program) curriculum; maintenance of a photo and video archive; management of the "Becoming An Outdoors Woman Program" and the Outdoor Explorers Club; and coordination of the programming at the Pocket Park at the State Fairgrounds and at other events around the State.

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| 4. | <u>Executive direction</u> | 2,158,000 |
| | Classified FTE positions | 12.0 |

This appropriation supports the Department's Executive staff. The Commission Assistant position, clerical and administrative support for the Executive staff, and insurance, retirement and other benefit costs associated with the unclassified positions also are supported through this appropriation.

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| 5. | <u>Project F.I.S.H.</u> | 25,000 |
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Project F.I.S.H. (Friends Involved in Sportfishing Heritage) is a nonprofit organization that promotes sportfishing through education and training programs for children. Section 301 in Part 2 of the act designates this funding as a grant to the organization to increase the number of anglers in MI through continuation and expansion of the program.

Unit Gross Appropriation	6,306,500
Interdepartmental grants (IDG)	23,100
State restricted revenue	5,340,200
State general fund/general purpose	943,200

Sec. 103. ADMINISTRATIVE SERVICES

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| 1. | <u>Budget and support services</u> | 1,006,700 |
| | Classified FTE positions | 10.0 |

This line supports budget development and control for the Department; coordination of the budget and financial information with the Michigan Legislature, the State Budget Office and the general public; and monitoring of program implementation and spending. This division also develops the budget for the Administrative Bureau of the Department.

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| 2. | <u>Financial services</u> | 2,670,200 |
| | Classified FTE positions | 27.0 |

This appropriation funds business support services of the Department. Supported activities are accounting services, including fund accounting, preparation of financial statements, and coordination with the Michigan Administrative Information network (MAIN); mail services and records retention; administrative support of staff in field offices and Operation Service Centers; Federal and regulatory activities coordination, including applying for and administering Federal grants and complying with current and future Federal audit findings; and administration of payments in lieu of taxes and Federal timber, oil, and gas revenue pass-through payments.

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| 3. | <u>Grants management</u> | 1,317,400 |
| | Classified FTE positions | 15.0 |

The management of grants distributed by the Department is supported with this line item. Activities include administration of the Michigan Natural Resources Trust Fund, Federal Land and Water Conservation Grants, and other grant programs. The appropriation also funds business and contractual services including purchasing functions and contract administration.

The Retail Sales System and Central Reservation System for State harbors and camping sites (available online) are managed by this division. Hunting and fishing licenses are sold at over 1,700 retail outlets across the State. In FY 2002-03, an appropriation of \$4,000,000 was provided from the Game and Fish Protection Fund to update and replace retail sales terminals across the State. The current electronic system was implemented in 1995 and updates to the equipment and technology were determined to be necessary. Replacement license terminals were installed at retail outlets and new self-serve kiosks placed in selected locations. This project was implemented over three years.

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| 4. | <u>Human resources</u> | 2,163,600 |
| | Classified FTE positions | 21.0 |

This appropriation supports the Department's Human Resources Division (HRD). HRD is responsible for all of the personnel related functions of the Department including approving and processing payroll and benefits selection; coordinating hiring practices, including recruitment, selection, and classification processes; administering the disability management program, workers' compensation, leaves of absence, the Family and Medical Leave Act, retirement, and unemployment programs; labor relations; administering health and wellness programs, safety education and compliance, training, and professional development programs; conducting pre-employment drug and alcohol screening; and administering the civil service personal services contracting process. HRD also provides legal support services to the Department.

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| 5. | <u>Human resources optimization user charges</u> | 158,700 |
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Beginning in FY 2004-05, most human resource functions were consolidated in the Department of Civil Service on a statewide basis. An appropriation remains in each department for staff to facilitate coordination with DCS.

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| 6. | <u>Internal audit</u> | 849,200 |
| | Classified FTE positions | 8.0 |

Activities supported by this appropriation include financial, performance, and compliance audits of Department programs and functions, grants, revenues, and computerized processes and databases. The Office also assists with the development and implementation of Department risk management programs and processes.

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Unit Gross Appropriation	8,165,800
Interdepartmental grants (IDG)	14,800
Federal revenues	355,400
State restricted revenues - Most of the restricted funds described in Sec. 101 are applied by a cost allocation model to all of the line items in this section.	6,614,100
State general fund/general purpose	1,181,500

Sec. 104. LAND AND FACILITIES

1. <u>Land and facilities</u>	20,009,500
Classified FTE positions	134.2

The Office of Land and Facilities is responsible for the facilities management and real estate functions of the Department. In the area of facilities management, the Office provides engineering, survey, and construction services for new and existing Department-owned properties; produces and monitors a long-term capital outlay plan for all Department facilities; and ensures compliance with the Federal Americans with Disabilities Act and other environmental regulations. The Office is responsible for the management of approximately 4.5 million acres, including State forest, State parks and recreation areas, State wildlife areas, and boating and fishing access sites. The Real Estate Services section coordinates the acquisition and disposition of land or rights in land through purchase, gift, exchange, and/or easement. The Office is responsible also for the assessment of tax-delinquent and tax-reverted properties, and maintains the records of all Department-facilitated land transactions.

Out of the appropriation for Land and Facilities, approximately \$5.7 million is supported by the Land Exchange Facilitation Fund. This is the fund through which proceeds of real estate transactions are handled. Proceeds of the sale of State property are deposited to the Fund and subsequently are used to purchase other property.

Unit Gross Appropriation	20,009,500
Interdepartmental grants (IDG)	3,693,600
State restricted revenues	15,969,600
State general fund/general purpose	346,300

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Sec. 105. DEPARTMENTAL OPERATIONS SUPPORT

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| 1. | <u>Building occupancy charges</u> | 2,111,100 |
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This appropriation supports payments to the Department of Management and Budget (DMB) for Department of Natural Resources occupied space in State-owned buildings. The DMB charges are based on historical expenses and are assessed on a square foot of occupied space basis. The amounts charged cover the cost of utilities, maintenance, security, janitorial services, and depreciation.

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| 2. | <u>Rent - privately owned property</u> | 515,000 |
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The cost of leases for privately owned space occupied by the Department is covered by this appropriation. Similar to building occupancy charges, this amount is paid to the Department of Management and Budget, who coordinates office space for all Executive branch offices.

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| 3. | <u>Gifts and bequests</u> | 500,000 |
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The Department regularly is the recipient of various private donations, gifts, and bequests. This appropriation allows the Department to receive and spend up to \$500,000 of monetary gifts or bequests. In FY 2004-05, the Department received \$37,000 in donations, gifts, and bequests.

Unit Gross Appropriation	3,126,100
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Private revenue	500,000
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State restricted revenue	2,452,700
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State general fund/general purpose	173,400
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Sec. 105. WILDLIFE MANAGEMENT

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|-------------------------------|------------|
| 1. <u>Wildlife management</u> | 27,192,300 |
| Classified FTE positions | 186.7 |

This appropriation supports the Wildlife Division's administration and a majority of its field personnel. Administrative functions include basic administrative services to the Wildlife Division, including assisting in the development and implementation of the annual budget; coordinating Wildlife Division activities and functions with other entities; data management; developing and providing public education and information programs and publications; and preparing and distributing the annual hunting guides.

Field and wildlife management activities funded by this appropriation include establishment of hunting and trapping regulations; endangered species and captive wildlife permitting; species management and wildlife health monitoring, including bovine tuberculosis and chronic wasting disease surveillance and control; land use planning and habitat management; management of State game and wildlife areas; participation in State forest inventory activities; staffing field offices; preparation and distribution of a catalogue of leased lands accessible to hunters; and addressing nuisance and invasive species. For the most part, the amounts set aside from the sale of certain hunting licenses for deer habitat improvement, turkey habitat, and waterfowl habitat are appropriated in this line item. The Sportsmen Against Hunger program is coordinated by this Division.

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| 2. <u>Natural resources heritage</u> | 1,311,100 |
| Classified FTE positions | 9.0 |

Many of the same activities identified in the wildlife management appropriation description are supported also by the natural resources heritage appropriation with an emphasis on nongame, threatened, or endangered species. The purpose of this funding is to identify, protect, manage, and restore native plant and animal species, natural features, and ecosystems. In addition, the Natural Features Inventory is funded through this line. Interest earned from the Nongame Fish and Wildlife Trust Fund provides most of the State funds appropriated in this line.

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| 3. <u>Cormorant control</u> | 150,000 |
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Double-crested cormorants are large, migratory birds that have had an increasingly detrimental impact on the natural coastal areas and fish populations in the northern areas of Lake Huron and Lake Michigan. Activities to mitigate these impacts and deter the birds have been coordinated by the Federal government through the U.S. Department of Agriculture. Control activities include oiling eggs to prevent reproduction and vegetation to deter nesting. This line item is the first direct appropriation from State funds for cormorant control activities. Until this appropriation in FY 2006-07, State involvement included advice and the provision of data. Section 502 in Part 2 of this act specifies that the Department must enter into a partnership agreement with the U.S. Department of Agriculture to provide additional control activities and that this appropriation must be used for activities within Michigan's boundary waters.

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4. State game and wildlife area maintenance

500,000

This appropriation, fully supported with Federal Pittman-Robertson dollars, funds the upkeep of facilities and habitat in the State's game and wildlife areas. Many of the projects are multi-year in nature and address capital outlay concerns.

Unit Gross Appropriation

29,153,400

Federal revenue

11,480,700

Private revenue

111,300

State restricted revenue

15,473,000

State general fund/general purpose

2,088,400

Sec. 106. FISHERIES MANAGEMENT

1. Aquatic resource mitigation

899,400

Classified FTE positions

3.0

Revenue from court settlements, judgments, and natural resources damages awards credited to the Game and Fish Protection Fund is used for fish habitat improvement projects.

2. Fish production

8,318,800

Classified FTE positions

62.0

The staff in the fish production program is responsible for operating the State's six fish hatcheries. The fish production staff produce and transport fish for Great Lakes and inland fisheries; monitor the health and quality of all stock in State hatcheries and egg take facilities; and assess and modify fish stocking targets, methods, hatchery production and transportation to meet goals and improve hatchery survival and performance.

This unit is also responsible for monitoring commercial and Native American tribe fishing operations, including assuring that State-licensed fishing operations do not exceed harvest limits; managing the transfer and sale of sanctioned fishing operations; assisting tribes in the conversion from gill nets to other methods; regulating the harvest in order to protect bait fish populations; and administering general aspects of tribal fishing rights consent decrees.

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3. Fisheries resource management

18,800,100

Classified FTE positions

160.0

Fisheries resource management staff is responsible for the protection and maintenance of all of the State's fisheries. This responsibility involves the monitoring of fish stocks and recreational and commercial fish harvests; evaluation of fish stocking programs, fishing regulations, and habitat; implementation of consent decrees concerning tribal fishing rights and treaties; and the development of programs to protect or rehabilitate endangered or threatened species, to monitor fish health and determine causes of fish mortality, and to assess and mitigate pollution or degradation of Great Lakes and inland lakes and streams habitats.

This program also monitors and promotes recreational fishing activities. The Department conducts outreach programs to recruit and educate future anglers; develops and distributes information on the State's fisheries, including fish stocking data; and conducts a statewide fishing market analysis through a university contract.

Administrative activities for this division also are supported in this line item. Activities include overall management and business functions of the Fisheries Division and coordinating Division policies and programs with other entities.

Unit Gross Appropriation

28,018,300

Federal revenue

8,601,300

Private revenue

112,800

State restricted revenue

19,251,500

State general fund/general purpose

0

Sec. 107. PARKS AND RECREATION

1. Bay City State Park

100,000

This line item was added in FY 2006-07 to provide funding from the MI State Waterways Fund for the construction and installation of floating docks in Bay City State Park. The floating docks were approved by the Department of Environmental Quality in order to allow water access without disturbing the potential contamination in the sediment. The contamination is from industrial facilities upstream. This is a special project and intended to be a one-time appropriation.

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2. Michigan civilian conservation corps

1,057,000

Classified FTE positions

3.0

This appropriation supports the job training and employment of unemployed youth who are between 18 and 25 years of age, who would have qualified for the former State General Assistance Program. The program participants provide maintenance services at State park, boating, and trail facilities. The program previously supported two residential camps: Camp Proud Lake in Oakland County and Camp Vanderbilt in the northern Lower Peninsula. Currently, only the non-residential component is operational. The program is supported entirely by the interest and earnings on the Michigan Civilian Conservation Corps Endowment Fund.

In FY 2006-07, \$5.0 million from the MCCCEF was appropriated in the Higher Education budget for the MILEAD program. This funding would come from the principal of the Fund and would reduce the future interest earning which supports this line item. Statutory changes have not been enacted to allow the expenditures for the MILEAD program.

3. Recreational boating

14,038,100

Classified FTE positions

163.5

The Recreational Boating program primarily consists of two components: the docks and harbors component, and the boating access sites component.

- a) Through the docks and harbors component, this appropriation supports the construction and maintenance of harbors of refuge on the Great Lakes, with the intent that such harbors be available at 15 mile intervals near population centers on the Great Lakes; the provision of public docking facilities for exclusive use by transient boaters; the upgrade and repair of existing public recreational mooring facilities; the operation and maintenance of 14 State harbors, either by Department personnel or through private or local government concession leases; and the administration of a program offering grants to local units of government for the development, repair, expansion, and operation of public mooring facilities.
- b) Through the boating access sites component, this appropriation supports the acquisition, development, maintenance, and operation of properties to provide public boating and recreational access to the waters of the State; the promotion of joint State/local boating access development projects; the upgrade and repair of approximately 1,100 boat launch ramps; the operation of 738 public access sites statewide; and the dredging and extension of ramps to maintain access in critical areas.

The recreational boating appropriation is supported entirely with Michigan State Waterways and Harbor Development Fund monies. These resources are derived from fees and charges to boaters. Large capital projects and grants from the Waterways Fund to local units of government for harbor and boating access projects are appropriated in the Capital Outlay budget.

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4. State parks

45,663,600

Classified FTE positions

628.4

In addition to the operation of 96 State Park and Recreation Areas, this appropriation supports administrative activities for the acquisition, development, and maintenance of open spaces for public use; the administration of contracts for private concessions operated at the State park and recreation areas; the maintenance of Silver Lake State Park off-road vehicle voucher system; the improvement and maintenance of over 13,000 campsites and 85 other lodging facilities; the operation of seven nature centers and four historic sites that serve to interpret the natural history of the State; the provision of daily environmental education programming at 50 State parks; and the provision of public access to Great Lakes lighthouses.

The operation and maintenance of State park and recreation facilities and programs is supported by a combination of user fees, Federal revenues, private concession revenue, and other State restricted sources. State park motor vehicle entrance fees were raised beginning January 1, 2004 with a sunset of January 1, 2007. The additional fee revenue and increased appropriations from the State Parks Endowment Fund offset the removal of all General Fund support for State parks. Before the 2007 sunset took effect, the MVP fees were extended until January 1, 2010 at the same rates.

5. State parks improvement revenue bonds - debt service

1,119,600

The Natural Resources and Environmental Protection Act allows the Natural Resources Commission to issue park improvement revenue bonds, to be repaid with park fees. Revenue bonds totaling \$15.5 million were issued (proceeds were appropriated in the Capital Outlay budget) to cover improvements at Sterling State Park. Park Improvement Fund revenue supports this appropriation.

Unit Gross Appropriation

61,978,300

Federal revenue

116,500

Private revenue

352,300

State restricted revenue

61,509,500

State general fund/general purpose

0

Sec. 108. FOREST, MINERAL, AND FIRE MANAGEMENT

1. Adopt-a-forest program

25,000

This appropriation provides reimbursement to nonprofit organizations for supply and disposal costs incurred in the clean-up of State forest lands. The appropriation is supported entirely from the Forest Development Fund.

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2. Cooperative resource programs

2,647,600

Classified FTE positions

10.5

This program was initiated in FY 1999-2000 to encourage landowners to maintain healthy landscapes by employing active forest management practices. The initial mechanism was the creation of public/private partnerships with public, private for-profit, and private nonprofit entities. The program was implemented cooperatively with the Michigan Department of Agriculture (MDA). Enough funding was made available initially to support two components of the program: grants to local soil conservation districts to provide forestry management assistance to private property owners with forested lands; and increased support for Department of Natural Resources field staff, training efforts, and the Natural Features Inventory. Beginning in FY 2003-04, the \$1,000,000 grant to local soil conservation districts was provided from the Forest Development Fund. The money is provided to the MDA through an interdepartmental grant, then the MDA awards the grants in November.

This appropriation also provides funds to administer the Part 511 of the Natural Resources and Environmental Protection Act (NREPA), concerning tax incentives for the maintenance of commercial forests (formerly the Commercial Forest Act); to provide assistance and incentives to non-industrial private landowners to encourage best forest management practices; to assist local governments with the administration of Part 513 of NREPA, concerning the establishment of and tax incentives for maintaining a private forest reserve (formerly the Private Forest Reserve Act); and to provide technical and social forestry assistance to cities, villages, and other local units of government.

3. Forest and timber treatments

16,116,500

Classified FTE Positions

121.0

This appropriation supports the activities associated with the harvesting of timber on State forest lands. These activities include the marking of tracts and individual trees for harvest; preparing timber sale proposals; advertising and conducting timber auctions; preparing timber sale contracts; and monitoring timber sale contracts for compliance with contract conditions and forest management objectives. The State is divided into 15 forest management units. The forest land within the units is then divided into 10 compartments such that an equal amount of timber is reviewed and marked for harvest each year for 10 years.

Staff supported with this appropriation also are responsible for maintaining the State forests in a healthy and productive condition. Examples of activities that are undertaken to meet this responsibility include restocking/replanting after a timber harvest or wildfire; thinning or selectively cutting trees to allow younger or healthier trees to grow; and controlling weeds and insect pests. The source of revenue for this appropriation line is predominantly the Forest Development Fund.

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Part 505 of the Natural Resources and Environmental Protection Act creates the Forest Finance Authority within the Department of Natural Resources. The authority is charged with preserving employment in the State through the retention, promotion, and development of forestry and the forest products industry through improved and intense management of the State's forest system. The Authority is authorized to issue revenue bonds to cover the cost of forest management activities. Any bond principal and interest expenses would be covered from revenue derived from the sale of timber on State lands. To date, no revenue bonds have been issued by the Authority.

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| 4. | <u>Forest fire equipment</u> | 1,700,000 |
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This appropriation supports the activities of the Forest Fire Experiment Station, located in Roscommon. The Experiment Station designs, modifies, fabricates, and tests various types of forest fire fighting equipment. The equipment developed under the Program is used to combat forest fires in the State. The Program also tests commercially available equipment to determine effectiveness and safety in suppressing wildfires.

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| 5. | <u>Forest fire protection</u> | 10,838,100 |
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	Classified FTE positions	133.5
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The Department employs a force of trained firefighters who serve to prevent and suppress fire on State and privately-owned forest lands. In addition, the fire protection staff develop and review fire management plans, conduct prescribed burns, and maintain fire fighting equipment and facilities, including three aircraft used for fire detection. This appropriation also supports the acquisition of Federal surplus property for State and local fire suppression use.

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| 6. | <u>Forest management initiatives</u> | 902,700 |
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	Classified FTE positions	9.2
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This appropriation initially was made in FY 1994-95 when \$300,000 from the Forest Development Fund was provided as one-time funding for the purchase of computers, software, and surveying equipment. This program became an annual appropriation to provide assistance to the Department, other State agencies, and local governments in the use of computer mapping programs; develops, maintains, and distributes geographic information to the Department and the public; coordinates the development of geographic data with the Federal, State, and local units of government to reduce duplication of effort; and coordinates the acquisition of, and makes available to the public aerial photography and digital imagery.

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7. Forest management planning

5,600,100

Classified FTE Positions

18.0

The forest resource planning component of this appropriation supports the collection and maintenance of forest and forest product data, research, planning, and policy development concerning forest management issues. This section drafts forest management plans for the various State forest units, presents policies and plans to the Natural Resources Commission, and holds open houses to allow the public to review and comment on proposed forest management plans.

The forest land use component of this appropriation supports the oversight and management of controlled uses of State forest land resources, including mineral exploration and extraction, easements for public utilities and oil and gas pipelines, natural gas storage, and agricultural and other special land uses. This section also addresses trespass and encroachments on State forest land; administers land acquisitions, exchanges, and disposal; and manages, maintains and protects soil and water quality, endangered species and habitat, and other special forest features.

8. Forest recreation and trails

4,978,600

Classified FTE positions

33.0

This appropriation supports the cost of providing and maintaining rustic, low-density campgrounds and facilities in the State forests, as well as a system of pathways and trails for hiking, cross-country skiing, backpacking, and horseback riding in State parks, forests, and recreation areas. The funding also is used to maintain selected boating access sites on State forest land.

A linear park system consisting of Kal-Haven, Hart Montague, Lakelands, and White Pines trails is supported by this line, as well as interpretive programs, security patrol, and emergency first aid for non-motorized trail users; the coordination of trail development with other governmental units; the development of trails within State parks, forests, and recreation areas; and the maintenance of state-wide motorized recreational trails and snowmobile trails, routes, and use areas.

Reflecting the many different types of recreation occurring in State forests, the sources of financing supporting the Recreation and Trail Program include the Forest Recreation Fund, the Forest Development Fund, the Snowmobile Trail Improvement Fund, the Off-Road Vehicle Trail Improvement Fund, and the Recreation Improvement Fund.

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9. Minerals management

2,145,400

Classified FTE positions

17.3

The Department enters into leases for the development of State-owned mineral, oil, and gas resources. This appropriation supports the staff and activities associated with the leasing process, including offering competitive leasing of mineral acreage that is nominated by either private parties or Department staff; assisting industry in conducting business on State-owned leases and in complying with mineral development rules, regulations, policies, and procedures; managing and monitoring active oil and gas, and mineral leases; accounting for revenue payments from leases to ensure that the State is appropriately compensated, including contracting for audits of oil and gas lease payments; processing all requests for sale of mineral and allied rights, archaeological exploration permits, and other requests involving State-owned mineral rights; providing geological and mineral assessments for State land transactions; overseeing abandoned mine safety/closure activities; managing mineral/surface rights unification efforts; and reviewing use permits since many of the mineral leases are in State forests.

Unit Gross Appropriation

44,954,000

Federal revenue

2,315,400

Private revenue

898,700

State restricted revenue

37,089,000

State general fund/general purpose

4,650,900

Sec. 109. LAW ENFORCEMENT

1. General law enforcement

29,909,300

Classified FTE positions

257.5

The enforcement of the State's natural resources and environmental protection laws is provided primarily by the conservation officers (CO) employed in the Department's Law Enforcement Division. In addition to the enforcement of fish and wildlife laws, the CO's supported by this appropriation also provide outdoor recreation law enforcement (e.g. snowmobile, ORV, boating), and protection of persons recreating in State parks, campgrounds, and forests; protect threatened and endangered species; provide recreational safety education programs, including hunter, firearms, and marine safety education programs; manage and maintain the Department's staffed shooting ranges; and oversee and assist in the recruitment and training of new conservation officers. A portion of conservation officer training is at the State Police training facility and COs have full law enforcement authority similar to State Police troopers. In some rural areas of the State, COs are the first responders to emergency situations.

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2. Wildlife resource protection

1,644,700

Classified FTE positions

10.0

This appropriation supports the investigation and prosecution of organized commercial and non-commercial poaching of fish and game; the development and dissemination of educational programs and materials concerning the negative impacts of poaching on fish and game resources; the encouragement of reporting of poaching activities; and monetary rewards for information leading to the arrest and prosecution of persons violating fish and game laws. Violations reported through the hotline RAP (Report All Poaching) are investigated with resources from this line item.

The funding source for this appropriation is the Game and Fish Protection Fund - Wildlife Resource Protection Fund, which is supported with a portion of hunting and fishing fees that is set aside for enforcement of wildlife conservation laws and anti-poaching programs.

Unit Gross Appropriation

31,554,000

Federal revenue

5,530,400

State restricted revenue

23,791,400

State general fund/general purpose

2,232,200

Sec. 110. PAYMENTS IN LIEU OF TAXES

1. Swamp and tax reverted lands

7,071,500

Part 21, Subpart 13 of the Natural Resources and Environmental Protection Act requires the Department to make payments in lieu of taxes to counties and townships in which there are tax reverted, recreation, and forest lands under the control of the Department, except lands purchased after January 1, 1933. The payments are set in statute at \$2.00 per acre, with 50% payable to counties, and 50% payable to townships. The law requires that the payments be made from the General Fund. Much of the swamp and tax reverted land is State forest land.

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2. Purchased lands

5,400,000

Part 21, Subpart 14 of the Natural Resources and Environmental Protection Act requires the Department to make ad valorem tax payments, characterized as payments in lieu of taxes, on Department-owned lands purchased on or after January 1, 1933. Historically, annual increases in the taxable value of property accounted for approximately 65% of the annual increase required to fully fund this obligation and supplemental appropriations were often required to provide sufficient funding.

To address some of these issues, statutory changes enacted in 2004 froze the valuation of the lands at their 2004 taxable value or the value at the time of purchase for future land purchases. The taxable values will begin increasing again in 2009. The enacted changes also capped the mills that may be assessed on the DNR-owned property at the amount paid in 2004. School-related mills are paid from the School Aid Fund and the rest are paid with at least 50% from the General Fund and the balance from relevant restricted fund sources. The three restricted funds used for this appropriation are the MI Natural Resources Trust Fund, the Game and Fish Protection Fund, and the MI State Waterways Fund. In general, these payments are made from the same source of financing as that used to purchase the land.

The 2004 statutory changes included a mechanism for proration of any shortfall between the amount required for payment and the amount provided by the appropriation. As a result, all bills must be received by the DNR before it can make any payments. The proration mechanism has not been used since enacted.

3. Special payments to counties

170,000

Amendments to the Revenue Sharing Act in 2005 advanced the collection of county mills to create a fund for revenue sharing payments, replacing the annual appropriation in the Department of Treasury budget. The advancement of collection of county mills for revenue sharing inadvertently penalized 20 counties that have fiscal years ending September 30. Special payments are being made for three years to compensate for the shortfall. The additional payments were spread over 3 years to match the phase-in of the county mill collections. The payments and language will not be required after FY 2006-07 since phase-in will be complete.

4. Commercial forest reserves

2,662,600

Part 511 of the Natural Resources and Environmental Protection Act provides a tax incentive to private landowners who retain and manage forest land for long term timber production, and who apply for and are granted certification as a commercial forest. Commercial forests are exempt from ad valorem property taxes, and instead are subject to a payment of \$1.20 per acre. Part 511 requires the State to make payments to counties equal to \$1.20 per acre of commercial forest in that county. This appropriation from the State General Fund is for this payment. Statutory changes enacted in 2006 require the pay rate to increase annually by 5 cents beginning in 2012.

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Unit Gross Appropriation

15,304,100

State restricted revenue

2,700,000

State general fund/general purpose

12,604,100

Sec. 111. GRANTS

(Amounts appropriated in the Grants unit do not necessarily reflect the amounts actually available for grants. In some cases, revenue from Federal and/or State restricted sources of funding are not realized at the levels appropriated.)

1. Federal - clean vessel act grants

100,000

The Federal funds appropriated in this line item provide grants to public and private boating facilities for new or upgraded marina sewage disposal facilities, pump-outs, and dump stations. Eligible projects, in addition to dump stations and additional pump-outs, include pump-outs for mooring facilities with a minimum of 15 slips, municipal sewage treatment system hookups and tap-in fees, and upgrading of older pump-out systems. The grant recipient is required to provide 25% of the project cost.

2. Federal - forest stewardship grants

625,000

The Federal funds appropriated in this line item are available to provide technical and financial assistance to eligible landowners who agree to develop and follow forest stewardship management plans for the long term protection and management of the forest ecosystem. State and local units of government, private organizations, and individuals are eligible for assistance under the program.

3. Federal - land and water conservation fund payments

2,566,900

Federal funds are available for grants to local units of government and the State for the acquisition and development of land for outdoor recreation. Applications for these grants are evaluated on three criteria: need for project; capability of applicant to carry out the project; and site and project quality. From local government applicants, a match of at least 50% of total project cost is required. The Michigan Department of Natural Resources makes grant recommendations to the National Park Service, which has the final approval. The amount of Federal funds available for these grants is determined in the spring of the fiscal year.

4. Federal - rural community fire protection

300,000

Federal funds are available to reimburse qualified local fire departments for up to 50% of the cost of purchasing fire fighting equipment for local communities. Fire departments in rural communities with populations of 10,000 or less and that have publicly owned forested lands within their jurisdiction are eligible for assistance under this program.

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| 5. | <u>Federal - urban forestry grants</u> | 4,000,000 |
| | Federal funds are available to make grants to local units of government and nonprofit organizations for urban and community forest activities including tree inventories, information and education programs, management plan development and implementation, tree planting, and other maintenance activities. | |
| 6. | <u>Grants to communities - federal oil, gas, and timber payments</u> | 3,450,000 |
| | The Federal government returns approximately 25% of the revenue generated from oil, gas, and timber development and harvest in the national forests to counties in which the national forest lands are located. Under the Federal Secure Rural Schools and Community Self-Determination Act, counties distribute the payments such that 75% is allocated to local school districts for school purposes and 25% is allocated to townships for the improvement of county roads. | |
| 7. | <u>National recreational trails</u> | 2,150,000 |
| | U.S. Department of Transportation - Highway Administration funds are available for the maintenance and development of recreational trails and related facilities. State projects and State/local government partnership projects are eligible for funding under the program, provided that the project contributes to a Department program goal, and that the project is located on Department land or is linked to a trail on Department land. | |
| 8. | <u>Accessibility grants</u> | 1,000,000 |
| | The State was awarded a grant in 2006 from the Kellogg Foundation for improvement and expansion of handicap accessibility in State parks. This line item may be a one-time appropriation. | |
| 9. | <u>Game and nongame wildlife fund grants</u> | 10,000 |
| | Interest and earnings revenue from the Game and Nongame Wildlife Trust Fund is appropriated for grants to individuals, local units of government, educational institutions, nonprofit organizations, and State government. The grants support projects aimed at protecting, managing, and restoring native plant and animal species, natural communities, and other natural features, as well as promoting knowledge, enjoyment, and stewardship of Michigan's native species and ecosystems. | |

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| 10. <u>Grant to counties - marine safety</u> | 4,275,000 |
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This appropriation supports grants that are directed to county sheriffs for watercraft law enforcement and safety education programs. The grants are distributed, after the receipt of an application, based on a formula that considers boat user days, water area within a county, number of individuals to be educated, number of boating slips, and public access sites. A local match equal to 25% of the grant amount is required. The funding source for this grant program is the Marine Safety Fund.

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| 11. <u>Inland fisheries resource grants</u> | 200,000 |
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Through this appropriation from the Game and Fish Protection Fund, grants are available to individuals, governmental units, and nonprofit organizations, including organized lake associations and sportsmen's clubs. Eligible activities include projects aimed at maintaining and/or enhancing inland aquatic environments that support, or could support, a significant public fishery; the rehabilitation of degraded inland fisheries; the provision of additional or more diverse inland waters fishing opportunities; and promotion of educational and interpretive communications and interest in inland fish, fishing, and fisheries management. Grantees must provide at least 50% of the project cost.

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| 12. <u>Off-road vehicle safety training grants</u> | 150,000 |
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These grants are provided to organizations to conduct ORV safety education courses for people under the age of 16 and award them a certificate required for operation of an ORV. This program was previously administered by the Department of Education and was transferred to the DNR in FY 2003-04. Grant administration funding of \$50,000 is included in the General Law Enforcement line item.

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| 13. <u>Off-road vehicle trail improvement grants</u> | 2,357,400 |
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Off-Road Vehicle Trail Improvement Fund dollars are appropriated for grants to public agencies or nonprofit, incorporated clubs or organizations for maintenance of existing ORV facilities, development of new ORV facilities, and for restoration of natural resources damaged by ORV use. Facilities maintained or developed with a grant from this appropriation must be open to the public. There is no match requirement.

In FY 2005-06, the funding for these grants was increased to allow for a larger appropriation from the ORV Trail Improvement Fund in Law Enforcement and also maintain the statutory formula for distribution of the revenue and to use the balance of the Fund. This higher grant level could last for about four years then the statute will have to be amended to change the formula in order to maintain the Law Enforcement appropriation from the ORV Trail improvement Fund.

**DEPARTMENT OF NATURAL RESOURCES
PART 1: LINE ITEM DETAIL**

**2006 PA 344
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14. <u>Recreation improvement fund grants</u>	1,100,000
<p>This appropriation, from the State restricted Recreation Improvement Fund, supports grants for State projects, and State/local government partnership projects where the applicant is a Department of Natural Resources division or bureau. The grants fund the operation, maintenance, and development of recreation trails, the restoration of lands damaged by off-road vehicles, and the cleanup of inland lakes.</p>	
15. <u>Snowmobile law enforcement grants</u>	1,142,000
<p>This appropriation funds grants to county sheriff departments and other local law enforcement agencies for enforcement of snowmobile law, with the focus of the enforcement effort on the designated snowmobile trail system. Eligible law enforcement agencies must serve in counties with a minimum of 25 miles of designated, funded snowmobile trails. Grantees must provide at least 15% of the cost of the enforcement effort.</p>	
16. <u>Snowmobile local grants program</u>	7,314,000
<p>Snowmobile Trail Improvement Fund monies are available to local units of government, nonprofit, incorporated snowmobile clubs, and other nonprofit, incorporated organizations (not individuals) for snowmobile trail maintenance and for connecting existing snowmobile trails. Grant applicants must be able to obtain a trail right-of-way that is open to public snowmobiling, and that receives adequate snowfall for snowmobile operation from December through March. Grants are available for three purposes: 1) annual grooming maintenance, which must include grooming, signing, and brushing trails, and may include new trail development; 2) special maintenance, including bridge construction and repairs, erosion control, replacement of culverts, and relocation of trails away from plowed roads; and 3) equipment replacement on a 60:40 cost-share basis, including tractors, drag, front blade, and radio or telephone equipment. In most cases only previous grantees are eligible for grants, except when the previous sponsor of a trail or segment ceases to participate.</p>	
Unit Gross Appropriation	30,740,300
Federal revenue	14,511,900
Private revenue	1,150,000
State restricted revenue	15,078,400
State general fund/general purpose	0

DEPARTMENT OF NATURAL RESOURCES PART 1: LINE ITEM DETAIL

2006 PA 344
FY 2006-07
Year-to-Date

Sec. 112. INFORMATION TECHNOLOGY

1. <u>Information technology services and projects</u>	9,002,900
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Executive Order 2001-3 created the Department of Information Technology (DIT). The Executive Order transferred all technology related positions and functions to DIT. The FY 2002-03 budget first consolidated funding within each department for information technology services into a new appropriation unit, which is the source of funding for the interdepartmental grant - user fees that support DIT. FTEs for staff are appropriated in the DIT budget.

Unit Gross Appropriation	9,002,900
Interdepartmental grants (IDG)	34,400
State restricted revenue	7,918,900
State general fund/general purpose	1,049,600

**DEPARTMENT OF NATURAL RESOURCES
PART 2: BOILERPLATE DETAIL
2006 PA 344**

Section Number	Description and History
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GENERAL SECTIONS

Sec. 201 **Payments to Locals.** Listing of State payments to local units of government.

Background: This subsection states the total state spending from State resources and total payments to local units of government contained in Part 1 of the bill. This is a standard boilerplate section contained in all appropriation bills pursuant to PA 431 of 1984. The statutory reference is MCL 18.1367.

Sec. 202 **Management and Budget Act.** Subjects appropriations in the bill to the Management and Budget Act (P.A. 431 of 1984).

Background: This is a standard section contained in all appropriation bills. The first version of this section was contained in the FY 1981-82 appropriation bill. The former section provided that appropriations were subject to PA 18 of 1981. PA 18 was repealed by PA 431 of 1984.

Sec. 203 **Definitions.** Definitions of acronyms and abbreviations used in bill.

Background: This is a standard section contained in all appropriation bills.

Sec. 204 **Civil Service 1% Charges.** Requires the Department of Civil Service to bill the Department at the end of the first quarter of the fiscal year for the constitutionally authorized charges of 1% of the aggregate payroll of the classified civil service. Requires the payment of the charges by the end of the second quarter of the fiscal year.

Background: This section was first included in FY 1995-96. It was proposed by the Executive Administration to clarify the timing of payments under this section.

Sec. 205 **Hiring Freeze.** Imposes a hiring freeze, allows the State Budget Director to make exceptions under certain circumstances and to report quarterly when exemptions are granted.

Background: This section was first included in FY 1991-92. This is standard language included in all appropriation bills that contain funding for classified employees. The hiring freeze policy was initiated with Executive Directive 1991-14.

Sec. 206 **Internet Reports.** Requires the Department to use the Internet for publication of required reports; allows reporting by e-mail, and placement on an Internet or Intranet site.

Background: This section was first included in FY 1999-2000.

Sec. 207 **Restricted Fund Balance Report.** Requires the Department to provide an annual report on restricted fund balances, projected revenues, and expenditures for the current and immediately preceding fiscal years. The report is due within 14 days of the release of the executive budget recommendation.

Background: This is a long standing section.

**DEPARTMENT OF NATURAL RESOURCES
PART 2: BOILERPLATE DETAIL
2006 PA 344**

Section Number	Description and History
Sec. 208	<p><u>Grant and Loan Program Report.</u> Requires a report on all grant, loan or grant, and loan programs administered by the Department; includes specific reporting parameters.</p> <p>Background: It is a catalog of all grant and loan programs administered by the Department and includes information such as the purpose, criteria, eligibility, application process, and matching funds requirements. The report is available online and geared toward entities that may be interested in applying for a grant or loan.</p>
Sec. 209	<p><u>Game and Fish Protection Fund Appropriations.</u> Lists amounts appropriated to other State departments or agencies from the Game and Fish Protection Fund.</p> <p>Background: This section is included as a method of tracking appropriations from the Game and Fish Protection Fund in other State department and agency budgets. Since the amounts from the Game and Fish Protection Fund are directly appropriated in those other budgets, this section does not impose a controlling limitation.</p>
Sec. 210	<p><u>Michigan State Waterways Commission Activities.</u> Requires the Department, in cooperation with the Michigan State Waterways Commission, to submit a report listing projects completed in the previous fiscal year, including the county and municipality of each project.</p> <p>Background: This section was added in FY 2002-03. This requirement of the Department and the Commission is modeled on the process for the Natural Resources Trust Fund. It is intended to inform the Legislature of activities and decisions made by the Waterways Commission. Funding for the projects is included in the appropriation bill for capital outlay projects.</p>
Sec. 211	<p><u>Game and Fish Protection Trust Fund Appropriation.</u> Appropriates \$6,000,000 from the Game and Fish Protection Trust Fund to the Game and Fish Protection Fund pursuant to Sec. 43703(3) of the Natural Resources Environmental Protection Act.</p> <p>Background: This is a boilerplate appropriation authorized in the Natural Resources and Environmental Protection Act. Funding in the Game and Fish Protection Trust Fund is generated by oil and gas revenues from lands purchased with dollars from the Game and Fish Protection Fund. The Department requests this appropriation to support appropriations from the Game and Fish Protection Fund.</p>
Sec. 212	<p><u>Information Technology User Fees.</u> Provides that the Department shall pay user fees to the Department of Information Technology to technology-related services and projects pursuant to an interagency agreement.</p> <p>Background: This section was added in FY 2002-03. It is a standard section included in all department budgets.</p>
Sec. 213	<p><u>Information Technology Work Projects.</u> Allows information technology appropriations to be designated as work projects.</p> <p>Background: This section was added in FY 2002-03 with the first annual budget for the Department of Information Technology. It is a standard section included in most department budgets. No work projects have been designated out of the information technology line item.</p>

**DEPARTMENT OF NATURAL RESOURCES
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2006 PA 344**

Section Number	Description and History
Sec. 214	<p><u>Limitation on Travel.</u> Limits out-of-state travel to that required by legal mandate, court order, mandatory law enforcement, to protect the health or safety of citizens, to prevent the loss of Federal funds, or for specialized training not available in the State. Allows the Budget Director to grants exceptions. Requires an annual report on all travel and related expenditures.</p> <p>Background: An annual report on travel expenditures is a long-standing section in appropriation bills. In FY 2004-05, out-of-state travel was prohibited except for the reasons detailed in this section.</p>
Sec. 215	<p><u>Buy American Intent.</u> Provides that department funds should not be used to purchase foreign goods if competitively priced and comparable quality American goods are available; and that preference should be given to the purchase of Michigan manufactured or provided goods and services.</p> <p>Background: A version of this section was first included in FY 1992-93. This is a standard section in all department budgets.</p>
Sec. 216	<p><u>Prohibit Disciplinary Action.</u> Prohibits the Department from taking disciplinary action against an employee for communicating with a member of the Legislature or legislative staff.</p> <p>Background: This section was added in FY 2005-06 to all budget acts. No specific incident was cited.</p>
Sec. 218	<p><u>Prohibition on Aircraft Use.</u> Prohibits the use of State aircraft by institutions of higher education, legislators or staff without prior approval, or local government employees. States the intent that elected officials use commercial or private air service. An exception is made for travel consistent with the mission of the Department or for law enforcement and homeland security purposes.</p> <p>Background: This section was added in FY 2006-07 to all the Natural Resources and State Police budget acts and was modeled off a long-standing section in the Transportation budget. Concerns were cited about personal use of aircraft and liability issues.</p>
Sec. 219	<p><u>Deprived and Depressed.</u> Directs the Department to take reasonable steps to ensure businesses in deprived and depressed communities and in Baldwin compete for and perform contracts for services and supplies. The Director shall strongly encourage subcontracts with certified businesses in deprived and depressed communities.</p> <p>Background: This is a long-standing section in all department budgets. Baldwin was added in FY 2006-07.</p>
Sec. 220	<p><u>Administrative Cost Plan.</u> Requires the Department to develop a plan for allocating administrative and personnel costs across the various restricted funds that support Department appropriations; requires submission of the plan to the Legislature.</p> <p>Background: The intent is for the Department to identify how much of the restricted funds appropriated are used for administrative costs.</p>

**DEPARTMENT OF NATURAL RESOURCES
PART 2: BOILERPLATE DETAIL
2006 PA 344**

Section Number	Description and History
EXECUTIVE	
Sec. 301	<p><u>Project F.I.S.H.</u> Identifies \$25,000 appropriated in Part 1 as a grant to the organization. Directs the Department to collaborate with Project F.I.S.H. to increase the number of anglers in the State and provide a cost-benefit analysis on the effectiveness of the efforts.</p> <p>Background: This organization requires approximately \$75,000 annually to operate. The intent of this funding is to enable the organization to leverage it for additional donations. Directing the Department to collaborate with Project F.I.S.H. is intended to provide additional resources to the organization.</p>
ADMINISTRATIVE SERVICES	
Sec. 401	<p><u>Recovery of Costs for Engineering Services.</u> Allows the Department to charge any appropriation in Part 1 or any current year capital outlay or special maintenance appropriation, a standard percentage fee set at a level to recover actual costs for engineering services provided.</p> <p>Background: This section authorizes interdepartmental transfers for engineering services provided by one bureau to another within the Department.</p>
Sec. 402	<p><u>Recovery of Costs for Land Acquisition Projects.</u> Allows the Department to charge any appropriation in Part 1, or from prior fiscal years, a standard percentage fee to recover costs for land acquisition projects.</p> <p>Background: This section authorizes intradepartmental transfers for land acquisition project services provided by one bureau to another within the Department.</p>
Sec. 403	<p><u>Application and Transaction Fees.</u> Authorizes the Department to set and charge application and transaction fees to cover costs related to the exchange or sale of State-owned land or rights in land.</p> <p>Background: This section was added in FY 2003-04. It allows the Department to collect and spend fees paid by individuals requesting land transactions with the State. Statutory authorization for this long-standing practice is vague and this section is clarifying.</p>
Sec. 402	<p><u>Fish Advisory Information.</u> Requires the Department to prominently display the Department of Community Health (MDCH) website in the fishing guide; requires the fishing guide to include alternative sources of MDCH fish advisory information.</p> <p>Background: Fish advisories are established by the Department of Community Health. This section is intended to expand the method of publication of the advisories.</p>
Sec. 405	<p><u>Land Transaction Report.</u> Requires a quarterly report on all land transactions completed by the Department and provides criteria for the report.</p> <p>Background: This section was added in FY 2003-04 to obtain information on how DNR-owned property changes over the course of a year and from year-to-year.</p>

**DEPARTMENT OF NATURAL RESOURCES
PART 2: BOILERPLATE DETAIL
2006 PA 344**

Section Number	Description and History
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WILDLIFE MANAGEMENT

Sec. 501 **Wolf, Coyote, and Cougar Indemnification Payments.** Requires the Department to reimburse the Department of Agriculture for the cost of indemnification payments made for livestock killed by wolves, coyotes, or cougars.

Background: The Department of Agriculture reimburses owners of livestock killed by wolves and coyotes. The section was added to place the final burden of the payments on the Department of Natural Resources, since it reintroduced wolves into the Upper Peninsula. A reimbursement rate schedule by type of livestock killed is established by the Department of Agriculture. No funding is provided in Part 1 for this purpose. Cougars were added in FY 2006-07.

Sec. 502 **Cormorant Control Activities.** Requires the Department to enter into a partnership with the USDA and target the funds provided in Part 1 to cormorant control activities in Michigan. Requires a report by September 30 on the control efforts and the USDA relationship.

Background: When initially added in FY 2005-06, the section required an action plan to address cormorants. Changes in FY 2006-07 provided funding, required the Department to partner with the USDA, and report on control efforts.

Sec. 503 **Bobcat Study.** Directs up to \$20,000 for a study of the bobcat population, states that the Department and the NRC must develop science-based hunting quotas for the Upper and Lower Peninsulas and report to the Legislature on the results of the study.

Background: This section was added in FY 2005-06 as a study of the bobcat population. Changes in FY 2006-07 provided funding and required the development of hunting quotas.

FISHERIES MANAGEMENT

Sec. 601 **Prohibition to Impede Water Control Structure Certification.** Prohibits the Department from impeding the certification of water control structures; requires the Department, with any appropriation, to fund non-water-quality studies requested by or requirements of the Department of either the Department of Environmental Quality or the Federal Energy Regulatory Commission.

Background: A water control structure may be a dam or a lake level monitoring system. The intent of the language is to place limits on Department water control structure regulatory actions.

Sec. 602 **Stream Habitat Improvements.** Limits allocation of the stream habitat improvement appropriation for stream habitat stabilization and soil erosion control to \$758,000; requires the Fisheries Division to develop priorities and costs for recommended projects.

Background: This is a long standing section.

**DEPARTMENT OF NATURAL RESOURCES
PART 2: BOILERPLATE DETAIL
2006 PA 344**

Section Number	Description and History
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PARKS AND RECREATION

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| Sec. 701 | <p><u>Appropriation to the State Parks Endowment Fund.</u> Appropriates up to \$10,000,000 from the Michigan Natural Resources Trust Fund to the Michigan State Parks Endowment Fund, as allowed by the MI Constitution and the NREPA.</p> <p>Background: This appropriation is required in Article IX, Section 35 of the Michigan Constitution. The Constitution states that until the Natural Resources Trust Fund balance reaches \$800,000,000, this deposit shall be made. The deposit to the State Parks Endowment Fund may not be more than 50% of the total revenues to the MNRTF in any single fiscal year and up to \$5.0 million of the deposit may be spent annually.</p> |
| Sec. 702 | <p><u>Report on Construction in State Parks.</u> Requires the Department to report by April 1 on construction projects in State parks that would involve campsite or campground closures. This report must include an assessment of the impact of the projects on costs, revenues, recreation, park users, and monthly campground occupancy rates. Requires notification to the Legislature of planned reductions in park operations or recreation opportunities.</p> <p>Background: Access to and within State parks is often limited by construction projects. This section is intended to facilitate oversight of the construction projects.</p> |
| Sec. 703 | <p><u>Defibrillators in State Parks.</u> Directs the Department to maintain an appropriate number of defibrillators in State parks. State Parks shall accept donated defibrillators</p> <p>Background: This section was added in FY 2003-04 in response to a situation in which a State park refused the donation of a defibrillator.</p> |
| Sec. 704 | <p><u>Misuse of Discounted Day Passes.</u> Requires an annual report by September 30 on the misuse of complimentary or discounted day passes at State recreational facilities.</p> <p>Background: This section was added in FY 2004-05 in response to specific violation.</p> |
| Sec. 705 | <p><u>Porcupine Mountains Wilderness State Park.</u> Changes to the operations or buildings of the ski hill are prohibited. Demolition of the assistant manager residence, the 3-unit apartment building, and the carpenter shop and garage are also prohibited. The Department shall collaborate with Travel Michigan for marketing and promotion of the ski hill.</p> <p>Background: This section was added in FY 2003-04 in response to questions regarding the viability of the ski hill. Previous versions required a report on the economic impact of the ski hill. The list of buildings exempt from demolition was expanded in FY 2004-05 to include selected buildings not associated with the ski hill.</p> |
| Sec. 706 | <p><u>Island Lake Shooting Range.</u> Requires the Department to retain the services of a licensed engineer to study and design range modifications to mitigate sound from the shooting range, regardless of the results of pending litigation involving the range.</p> <p>Background: This section was added in FY 2006-07 to address on-going concerns from neighbors with the noise level at the Island Lake Shooting Range.</p> |

**DEPARTMENT OF NATURAL RESOURCES
PART 2: BOILERPLATE DETAIL
2006 PA 344**

Section Number	Description and History
Sec. 707	<p><u>Boating Access Improvement Plans.</u> Directs the Department to work with the Waterways Commission to develop short and long term plans to improve boating access throughout the State. Requires the plans be submitted by July 1, 2007.</p> <p>Background: This section was added in FY 2006-07.</p>
Sec. 708	<p><u>Bay City State Park.</u> Specifies that the appropriation in Part 1 for the Bay City State Park shall be used to provide floating docks for recreation purposes and for barrier-free access.</p> <p>Background: This section was added in FY 2006-07. The floating docks were approved by the Department of Environmental Quality in order to allow water access without disturbing the potential contamination in the sediment. The contamination is from industrial facilities upstream. This was intended to be a one-time appropriation.</p>
FOREST, MINERAL, AND FIRE MANAGEMENT	
Sec. 801	<p><u>Abandoned Mine Shaft Emergencies.</u> Appropriates \$350,000 from nonspecific sources for the costs of declared emergencies involving collapsed, abandoned mine shafts on State land. The money shall not be expended unless the State Budget Director recommends it and the Department notifies the House and Senate Appropriations Committees.</p> <p>Background: This section establishes a procedure to enlist the State's assistance for an abandoned mine shaft emergency. This is a boilerplate appropriation; however, since the State Budget Director recommends the expenditures as needed, actual expenditures may be much less than the appropriated amount.</p>
Sec. 802	<p><u>Cooperative Resource Programs.</u> Directs the Department to provide on October 15 \$1,000,000 from the Cooperative resource programs line as an IDG to the Department of Agriculture for a management initiative program with private foresters.</p> <p>Background: This section was added in FY 2003-04. Grants for the conservation district forest management program are distributed by the Department of Agriculture in November.</p>
Sec. 803	<p><u>Gaylord-Cheboygan Snowmobile Trail.</u> Instructs the Department to develop a motorized snowmobile trail connecting Gaylord and Cheboygan.</p> <p>Background: This section was added in FY 2005-06. Negotiations between the Natural Resources Commission, snowmobile groups, and area residents have been ongoing for a few years regarding the exact path this snowmobile trail will take. A trail has been patched together with expanded roadside access and Director's orders.</p>
Sec. 804	<p><u>Forest Finance Authority Report on Grant.</u> Requires a report on Feb. 1, 2007 on the planned use, expenditure, and action taken by the MI Forest Finance Authority on the \$26.0 million grant from the 21st Century Jobs Trust Fund.</p> <p>Background: This section was added in FY 2006-07, shortly after the 21st Century Jobs Trust Fund was created with revenue from the securitization of tobacco settlement money. The statute creating the Trust Fund designated \$26.0 million for the Forest Finance Authority with little direction or oversight.</p>

**DEPARTMENT OF NATURAL RESOURCES
PART 2: BOILERPLATE DETAIL
2006 PA 344**

Section Number	Description and History
Sec. 805	<p><u>Staff for Timber Marking.</u> Requires the Department to spend forestry appropriations to hire staff or contract as necessary to meet timber marking goals.</p> <p>Background: This section accompanies Section 806. It ensures that the Department has sufficient personnel to reach the timber marking quota established in that section.</p>
Sec. 806	<p><u>Timber Marking for Harvest.</u> Requires the Department to prescribe appropriate treatment on not less than 63,000 acres at an average rate of 12.5 to 13 cords per acre and put those cords up for sale in 2007, with consideration of wildlife and recreation impacts of timber harvesting; requires continued silvicultural analysis and a report on plans to address management limiting factors. The Department shall increase marking or treatment of hardwood timber by 10% over 2006 levels, subject to the forest certification process. Also, requires a quarterly report on the number of acres treated.</p> <p>Background: Department personnel mark State trees for harvest by private timber entities. This section establishes a rate for the marking of trees by the Department to regulate the amount available for harvest from year to year. In FY 2003-04, the provision regarding the marking of hardwood timber was added in response to statements from stakeholders addressing the quality of timber being marked. In FY 2005-06, the target was set as a minimum, the quarterly report was added, and the new forest certification process was recognized.</p>
Sec. 807	<p><u>Bellaire-Jordan River Snowmobile Trail.</u> Instructs the Department to allow the development of a snowmobile trail connecting the Village of Bellaire with the Jordan River Trail.</p> <p>Background: This section was added in FY 2006-07.</p>

LAW ENFORCEMENT

Sec. 901	<p><u>Snowmobile Law Enforcement Grants.</u> Requires appropriations for snowmobile law enforcement grants to be distributed to local governments for snowmobile law enforcement, rules and ordinances; requires that grants be allocated to counties with State snowmobile trails; requires the consideration of trail miles and enforcement hours in allocating funding; retains unexpended revenues in the Snowmobile Registration Fee Fund; and requires counties to report semiannually.</p> <p>Background: MCL 324.82107 requires the Department to establish criteria for the \$1,142,000 in snowmobile law enforcement grants appropriated in Part 1. This section provides some factors for the Department to consider when determining the awards.</p>
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**DEPARTMENT OF NATURAL RESOURCES
PART 2: BOILERPLATE DETAIL
2006 PA 344**

Section Number	Description and History
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PAYMENTS IN LIEU OF TAXES

Sec. 1001 **Special Payments to Counties.** Designates \$170,000 in Part 1 for special payments to counties with a fiscal year ending September 30 to compensate for reduced purchased land payments in lieu of taxes related to the county revenue sharing provisions enacted in 2005.

Background: This section was added in FY 2006-07. It is identical to a section in a supplemental bill that provided these payments in FY 2004-05 and FY 2005-06. The advancement of collection of county mills for revenue sharing inadvertently penalized 20 counties that have fiscal years ending September 30. The additional payments were spread over 3 years to match the phase-in of the county mill collections. The payments and language will not be required after FY 2006-07 since phase-in will be complete.

GRANTS

Sec. 1101 **Federal Oil, Gas, and Timber Revenue.** Automatically appropriates Federal oil, gas, and timber payments revenue that is available in excess of the amounts appropriated in Part 1 in the grants to communities - federal oil, gas, and timber payments line item, as long as no State matching funds are required; requires the reporting by November 30 of automatic adjustments to the appropriations in Part 1 through this section.

Background: The Federal government passes part of its revenue from oil, gas, and timber payments back to the communities from which the resources came. The State serves an intermediary for the funding and does not retain any revenue from this transaction. The appropriation in Part 1 for this purpose is \$3,450,000 and this section automatically appropriates any additional Federal revenue received for this purpose. If the appropriation in Part 1 is insufficient, this section allows the Department to make the payments while informing the Legislature.

Sec. 1102 **Federal Land and Water Conservation Funds.** Requires the coordination of the use of Federal Land and Water Conservation Funds with Michigan Natural Resources Trust Fund (MNRTF) grants to local governments so that the level of local matching funds required is minimized.

Background: This section was added in FY 2002-03. Two grant programs exist for similar purposes, one Federal program coordinated through Department staff and another through the Natural Resources Trust Fund Board. The intent of this section is to leverage State Trust Fund dollars to local units of government to fulfill local match requirements for receipt of the Federal grant funding.

Sec. 1103 **Off-Road Vehicle Trail Development.** Requires the Department to spend not less than \$980,000 on the development of new ORV trails in accordance with the trail expansion plan developed in FY 2005-06.

Background: This section was added in FY 2006-07 to require the Department to implement the trail expansion plan. In FY 2005-06, the budget added funding to spend down a balance in the ORV Trail Development Fund over four years. Trail expansion and development was a primary way to accomplish that goal.